

EXHIBIT A-24

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PART II AND III 2 filename2.htm

An offering statement pursuant to Regulation A relating to these securities has been filed with the Securities and Exchange Commission. Information contained in this Preliminary Offering Circular is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted before the offering statement filed with the Commission is qualified. This Preliminary Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sales of these securities in any state in which such offer, solicitation or sale would be unlawful before registration or qualification under the laws of any such state. We may elect to satisfy our obligation to deliver a Final Offering Circular by sending you a notice within two business days after the completion of our sale to you that contains the URL where the Offering Circular was filed may be obtained.

Preliminary Offering Circular
September 15, 2021
Subject to Completion

PHOENIX CAPITAL GROUP HOLDINGS, LLC
5601 S Broadway
Suite 240
Littleton, CO 80121
(303) 749-0074



PHOENIX | CAPITAL GROUP

9.0% Bonds (Bonds)
\$75,000,000 Aggregate Maximum Offering Amount (75,000 Bonds)
\$1,000 Minimum Purchase Amount (1 Bond)

Phoenix Capital Group Holdings, LLC, a Delaware limited liability company (the "Company"), is offering a maximum of \$75,000,000 in the aggregate, of its 9.0% unsecured bonds, or the "Bonds," pursuant to this offering circular. The purchase price per Bond is \$1,000, with a minimum purchase amount of \$1,000, or the "minimum purchase"; however, the Company, in our sole discretion, reserves the right to accept smaller purchase amounts. The Bonds will bear interest at nine percent (9.0%) per year. The maximum offering amount of Bonds is \$75,000,000 the "Maximum Offering Amount". The Bonds will each be offered serially, over a maximum period of 3 years, starting from the date of qualification of the Offering Statement of which this Offering Circular is a part, with the sole difference between the series being their respective maturity dates. Each series of Bonds beginning with Series A will correspond to a particular closing. Each series of Bonds will mature on the third anniversary of the initial issuance date of such series. The Company may elect to extend the maturity date of the Bonds for up to two additional one-year periods in the Company's sole discretion. If the Company elects to extend the maturity date of the Bonds, the Bonds will bear interest at 10.0% per annum during the first one-year extension period and will bear interest at 11.0% per annum during the second one-year extension period. Interest on the Bonds will be paid to the record holders of the Bonds quarterly in arrears on January 25th, April 25th, July 25th and October 25th of each year, beginning on the first such date that corresponds to the first full quarter after the initial closing in the offering.

Bondholders will have the right to have their Bonds redeemed at any time prior to the maturity date, subject to an annual cap of 10% on all redemptions, regardless of the reason for the redemption, at a price equal to \$950 plus all accrued but unpaid interest per Bond, regardless of when such Bonds are redeemed (the "10% Limit"). Bondholders will also have the right to have their Bonds redeemed in the case of a bondholder's death, disability or bankruptcy, subject to notice, discounts and other provisions contained in this offering circular. Redemptions due to death, disability or bankruptcy shall count towards the annual 10% Limit on redemptions described above. See "Description of Bonds – Redemption Upon Death, Disability or Bankruptcy" and "Description of Bonds – Bond Redemptions" for more information.

5/8/24, 11:04 AM

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT*Security Ownership of Certain Beneficial Owners (10% or more)*

Title of Class	Name and Address of Beneficial Owner*	Amount and Nature of Beneficial Ownership Acquirable	Percent of Class
LLC Interests	Lion of Judah, LLC 1983 Water Chase Drive, New Lenox, IL 60451	N/A	62.9%

[Remainder of page intentionally left blank]

5/8/24, 11:04 AM

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

During the fiscal year ended December 31, 2020, the Company received mineral and royalty interests as a capital contribution by Lion of Judah Capital, LLC, an entity controlled by a family member of an officer of the Company. The capital contribution is valued at \$630,425 and Lion of Judah Capital, LLC received its equity ownership in the Company as consideration.

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PHOENIX CAPITAL GROUP HOLDINGS, LLC
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 10 – Related parties transactions

During the year ended December 31, 2020 and for the period from inception through December 31, 2019, the Company received as a capital contribution minerals and royalty interests from an entity controlled by a family member of an officer of the Company. The officer also holds membership interests in Alpha and Omega Capital, LLC. Total consideration received during the year ended December 31, 2020 and for the period from inception through December 31, 2019 was \$630,425 and \$-, respectively. As of December 31, 2020 and 2019, the Company had no material related party receivables or payables.

Note 11 – Company commitments

Phoenix leases office space under several operating leases. Rent expense for the year ended December 31, 2020 and for the period from inception April 23, 2019 through December 31, 2019 was \$114,768 and \$31,330, respectively. Phoenix has offices in Hermosa Beach, CA (month-to-month), Littleton, CO (2-year lease – expiring on January 31, 2023) and Casper, WY (1-year lease – expiring on October 31, 2021). The on-going lease commitments are approximately \$11,381 per month.

Future commitments for the years ended amounts to:

2021	\$ 80,627
2022	69,864
2023	5,835
Total	<u>\$ 156,326</u>

Note 12 – COVID-19 pandemic and impact on global demand for oil and natural gas

The ongoing global spread of a novel strain of coronavirus (SARS-Cov-2), which causes COVID-19, has caused a continuing disruption to the oil and natural gas industry and to our business by, among other things, contributing to a significant decrease in global crude oil demand and the price for oil beginning in the first quarter of 2020 and continuing through the fourth quarter of 2020. The declining commodity prices have adversely affected the revenues the Company receives for its royalty interests and could affect its ability to access the capital markets on terms favorable to the Company.

Additionally, in response to the decline in commodity prices, many operators on the Company's properties have announced reductions in their estimated capital expenditures for 2021 and beyond, which has and will adversely affect the near-term development of the Company's properties during the second half of the year and into 2021. While these lower commodity prices initially resulted in some of the Company's operators shutting in or curtailing production from wells on its properties during the second quarter of 2020, we saw a majority of the Company's operators resume production for previously curtailed and shut-in wells in connection with the improvement of commodity prices in the second half of 2020.

In response to the COVID-19 pandemic, the potential risk to the Company's workforce and in compliance with stay-at-home orders, the Company successfully implemented policies and the technological infrastructure for all of its employees to work from home in the first quarter of 2020 and ceased all business travel. Due to these efforts, the Company has not experienced material disruptions to its operations or the health of its workforce and has maintained the engagement and connectivity of its personnel.